

## CORRESPONDENCE.

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OFFICE OF THE CHES. AND OHIO CANAL CO.

*Frederick, January 12th, 1843.*

*To His Excellency,*

FRANCIS THOMAS, *Governor of Maryland:*

SIR,—The Board of Directors of the Chesapeake and Ohio Canal Company have the honor herewith to enclose to you copies of a recent correspondence between the Messrs. Baring, Brothers & Co. of London, and this Company, in relation to certain State of Maryland bonds which were placed in their hands under an arrangement entered into with them, as agents of the company, in December 1839. You will perceive from the letters and accompanying statements that they hold £133,000 Maryland 5 per cent. sterling bonds, belonging to the company, upon which they have made advances, principally in the year 1840, which, with an allowance of credit, now amounts to £80,151 0 8. And they propose to the company to take the said bonds at 50 per cent. in part payment of the amount thus due them, and the company's bonds for the balance; and in case the company will not assent to the proposal, they give notice that they will sell the bonds either in this country or in Europe, unless some satisfactory arrangement is made to reimburse them for their advances. This determination on their part appears to result from the failure of the State to pay the last July instalment of the interest due on the bonds, and the failure to meet the January interest will doubtless render them still more urgent for a settlement. The reply of the board, under date of the 10th inst. a copy of which is herewith communicated, marked No. 4, will put you in full possession of their views on the subject, and the grounds on which they have placed their objections to the proposed sale, but as it is a subject in which the State of Maryland is much interested, the board have deemed it their duty to communicate the matter to you in order that, if deemed expedient, it may be brought to the notice of the General Assembly now in session. It is scarcely necessary to add, that the company have no funds to redeem the bonds in question, or pay the arrears of interest due on them, and unless the State adopts some measures in this latter behalf, the bonds will probably be sold at a sacrifice by the Messrs. Baring, either under the agreement as they understood it, or under the cover of a proceeding at law. The accompanying papers are numbered from 1 to 6, inclusive.

I have the honor to remain, very respectfully, by order and on behalf of the board, Yours,

THO. TURNER,  
*Clerk Ches. and O. C. Co.*